



Clackamas County Proposed Budget

Fiscal Year 2021-2022



A Year Like
No Other



County Administrator, Gary Schmidt
Finance Director, Elizabeth Comfort
Budget Manager, Sandra Montoya



BUDGET COMMITTEE

The Budget Committee is comprised of the Board of County Commissioners and five public members, assisted by County Administration and Finance Staff.

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Sandra Montoya
Budget Manager

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Senior Budget Analyst

Roxann Fisher
Budget Analyst

Jian Zhang Budget
Analyst

Priscila Montoya
Budget Coordinator

BUDGET MESSAGE

FISCAL YEAR 2021-2022

The Honorable Board of County Commissioners and Budget Committee Members for Clackamas County, Oregon

Please find enclosed a balanced and sustainable FY21-22 proposed budget in the amount of \$1,039,730,469. This budget provides structural stability and accountability for the expenditure of public funds.

This message and the following graphic displays the budgets by department for Clackamas County's FY21-22 Proposed Budget.

Public Safety		General Government	
Sheriff's Office	\$ 103,208,381	Human Resources	\$ 76,272,586
Community Corrections	\$ 17,575,574	Finance & Facilities	\$ 23,929,552
District Attorney	\$ 15,448,549	Technology Services	\$ 21,342,372
Juvenile	\$ 11,396,441	Assessment & Taxation	\$ 9,420,619
Clackamas 911 (CCOM)	\$ 11,920,484	County Administration/Board	\$ 10,598,621
Disaster Management	\$ 4,152,871	Public & Government Affairs	\$ 5,772,251
Justice Court	\$ 3,342,309	County Clerk	\$ 4,652,350
Law Library	\$ 602,798	County Counsel	\$ 3,129,050
Total	\$ 167,647,407	Resolution Services	\$ 1,469,894
		Treasurer's Office	\$ 1,331,971
		Non Departmental	\$ 252,389,104
		Capital Projects	\$ 13,168,289
		Gen. Government / Pass-Through	\$ 24,262,584
		Total	\$ 447,739,243
Infrastructure & Community Investment		Health & Social Services	
Transportation & Development	\$ 184,399,496	Health Housing & Human Services	\$ 200,234,307
Business & Community Services	\$ 39,710,015		
Total	\$ 224,109,511	Total	\$ 200,234,307

In addition to the funding above, the Board of County Commissioners (BCC) oversees seven service districts, each of whom prepare a budget to be adopted by the BCC for a comprised total of \$1,415,155,377. For more information on the districts visit <https://www.clackamas.us/budget>

• Water Environment Services	\$247,705,206
• The Development Agency	\$ 42,043,286
• North Clackamas Parks & Rec. District	\$ 38,352,943
• Library Service District of Clack. County	\$ 23,973,735
• Extension and 4-H Service District	\$ 10,967,078
• Enhanced Law Enforcement District	\$ 8,007,681
• Street Lighting District	\$ 5,374,979

The chart below displays the breakdown of total funds and general fund support by department. Total funds includes all sources of funding – federal, state, fees, local, property tax, etc. General Fund (GF) Support is primarily comprised of property taxes (\$140 million) and shared revenue. Non-Operating funds include debt payments, pass-through funds such as contingency, reserves, transfers and special payments.

Department	Total Proposed Budget	GF Support in Proposed Budget	GF Support as % of Department Budget
Assessment & Taxation	\$9,420,620	\$6,775,619	71.9%
Business & Community Services	\$39,710,015	\$2,673,356	6.7%
Capital Projects	\$13,168,289	\$6,574,282	49.9%
Clackamas 911 (CCOM)	\$11,920,484	\$0	0.0%
Community Corrections	\$17,575,574	\$4,768,273	27.1%
County Admin/BCC	\$10,598,620	\$4,980,961	47.0%
County Clerk	\$4,652,350	\$0	0.0%
County Counsel	\$3,129,050	\$2,180,050	69.7%
Disaster Management	\$4,152,871	\$3,638,921	87.6%
District Attorney	\$15,448,549	\$11,993,100	77.6%
Finance/Facilities	\$23,929,552	\$2,395,278	10.0%
Health, Housing & Human Services	\$200,234,306	\$10,304,801	5.1%
Human Resources	\$76,272,586	\$1,299,995	1.7%
Justice Court	\$3,342,309	\$0	0.0%
Juvenile	\$11,396,441	\$9,597,489	84.2%
Law Library	\$602,798	\$0	0.0%
Public & Government Affairs	\$5,772,252	\$915,711	15.9%
Resolution Services	\$1,469,894	\$616,777	42.0%
Sheriff's Office	\$103,208,382	\$66,533,841	64.5%
Technology Services	\$21,342,372	\$0	0.0%
Treasurer's Office	\$1,331,971	\$1,004,470	75.4%
Transportation & Development	\$184,399,496	\$5,263,430	2.9%
Total Operating	\$763,078,781	\$141,516,354	18.5%
Non-Operating	\$276,651,688	\$4,744,699	1.7%
Grand Total	\$1,039,730,469	\$146,261,053	14.1%

Core Values

County employees continue to emphasize Our Core Values – SPIRIT – in day-to-day relationships, decision-making, and communications. These Values became even more important over the past year as staff and residents dealt with significant changes and challenges both professionally and personally.



Performance Clackamas and Budget Alignment

Performance Clackamas is a comprehensive system focused on achieving results for our customers. Created in 2014, Performance Clackamas provides a framework for all county departments and offices that is focused on attaining measurable results. The graphic below articulates the Board's Strategic Result areas, updated in March 2021, along with key metrics, and initiatives. Additional information related to the metrics is located in individual department budgets. It is important to note that departments will continue working on the result areas and initiatives which were articulated in the FY20-21 budget.

Performance Clackamas County Plan March 2021 Update



Honor, Utilize, Promote and Invest in our Natural Resources



- By 2023, the Climate Action Plan is adopted for our community with specific recommendations to reach the goal of being carbon neutral by 2050.
- By 2026, 10% increase in food production and food production acres from agricultural land in Clackamas County.

Grow a Vibrant Economy



- By 2024, 75% of businesses working in Clackamas County report a business-friendly environment that supports stability and growth.
- By 2026, 15% increase in jobs that meet the self-sufficiency standard wage in Clackamas County.

Ensure Safe, Healthy and Secure Communities



- By 2025, 1,500 affordable housing units will be developed. These units will be stratified across Area Median Income (AMI) ranges as follows:
 - 700 units at 61-110% AMI
 - 800 units at 0-60% AMI
- By 2025, new and existing funding for the County's Courthouse, Jail and Law Enforcement operations will be identified from federal, state, regional and local funding sources.

Build a Strong Infrastructure



- By 2024, funding for the next phase (from 122nd-172nd) of the Sunrise Gateway multimodal corridor improvements will be committed from federal, state, regional and local funding sources.
- By 2026, 100% of County residents and businesses - where served - have access to safe and affordable infrastructure: multimodal transportation including roads, sewer and broadband services.

Build Public Trust through Good Government



- By July 1, 2022, the County's budget will be structurally sound, sustainable, and 100% tied to results.
- By 2024, County policies and decisions, service delivery, and Board deliberations will be equitable, inclusive and transparent.

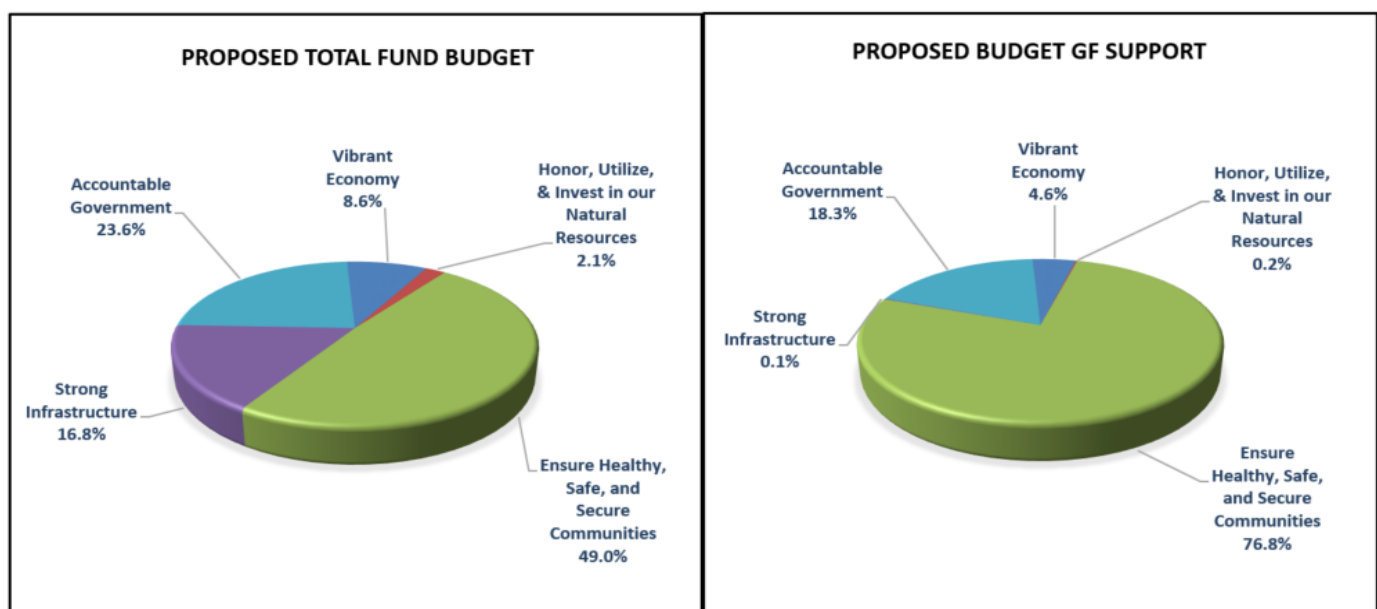
Board decisions will be informed by managing for results performance information for ongoing operations.

Budget Alignment

This year, for the first time, departments were asked to identify which of the Board's five Strategic Results are most aligned with a department's respective programs. Once this was completed, the corresponding budgets for each program were mapped to the Strategic Results and then each area was totaled resulting in the chart and graphs below. (Note, neither chart includes non-departmental funds.)

BCC Strategic Results	FY21-22 Proposed Budget	FY21-22 Proposed General Fund Support
Vibrant Economy	\$ 65,359,422	\$ 6,554,010
Honor, Utilize, & Invest in our Natural Resources	\$ 16,255,126	\$ 215,882
Ensure Healthy, Safe, and Secure Communities	\$ 373,544,839	\$ 108,671,525
Strong Infrastructure	\$ 128,185,143	\$ 185,995
Accountable Government	\$ 179,734,251	\$ 25,888,942
Total Operating (Shown in pie charts)	\$ 763,078,782	\$ 141,516,354
Non Operating (Not shown in pie charts)	\$ 276,651,688	\$ 4,744,699
Grand Total	\$ 1,039,730,469	\$ 146,261,053

While expenses to Ensure Healthy, Safe and Secure Communities comprise the largest percentage in both graphs, it clearly dominates the General Fund Support expenditures. Approximately 90% of these funds are Public Safety related – Sheriff's Office, Community Corrections, District Attorney, Juvenile, and Disaster Management – with approximately 10% supporting Health, Housing and Human Services. The second largest percentage of General Fund Support goes to Accountable Government including Elected Officials, internal services, and county department administrative functions.



FY21-22 Proposed Budget Summary

The table below presents summary data comparing the key resources and requirements of the FY20-21 Amended Budget and the FY21-22 Proposed Budget for Clackamas County. The revenues and requirements summarized in this table are derived from six county fund types: General, Special Revenue, Internal Service, Enterprise, Debt Service, and Capital Projects. All funds work together to support the county's operations and account for the intended use of the funding source.

Clackamas County (Excluding Agencies)				
Resources and Requirements				
	FY20-21 Amended	FY21-22 Proposed	\$ Change	% Change
Resources by Category				
Beginning Fund Balance	214,234,393	245,001,333	30,766,940	14.4%
Current Revenues				
Taxes	154,190,294	158,524,783	4,334,489	2.8%
Federal, State, Local, All Other Gifts & Donations	172,777,025	216,557,049	43,780,024	25.3%
Charges/Fees/License/Permits/Fines/Assessments	170,005,549	180,145,055	10,139,506	6.0%
Revenue from Bonds & Other Debts	23,537,875	1,710,005	(21,827,870)	-92.7%
All Other Revenue Resources	78,548,181	87,923,453	9,375,272	11.9%
Interfund Transfers	134,539,548	3,607,738	(130,931,810)	-97.3%
General Fund Support *		146,261,053	146,261,053	-
Subtotal Current Revenues	733,598,472	794,729,136	61,130,664	8.3%
Total Resources	947,832,865	1,039,730,469	91,897,604	9.7%
Requirements by Category				
Personnel Services	316,168,295	333,937,450	17,769,155	5.6%
Materials & Services	227,351,569	216,138,135	(11,213,434)	-4.9%
Capital Outlay	62,491,653	61,791,997	(699,656)	-1.1%
Subtotal Current Expenditures	606,011,517	611,867,582	5,856,065	1.0%
Debt Service	16,092,913	14,702,720	(1,390,193)	-8.6%
Special Payments	51,035,258	62,570,723	11,535,465	22.6%
Interfund Transfer	134,108,909	3,554,447	(130,554,462)	-97.3%
General Fund Support *		146,261,053	146,261,053	-
Reserve for Future Expenditures	71,347,880	61,198,462	(10,149,418)	-14.2%
Contingency	69,236,388	126,795,392	57,559,004	83.1%
Unappropriated Ending Fund Balance		12,780,090	12,780,090	
Total Requirements	947,832,865	1,039,730,469	91,897,604	9.7%
Full-Time Equivalents (FTE's)	2,272	2,290	18	0.8%

*FY21-22: Presentation changes are the result of the new county-wide chart of account implementation.

Budget Development

As a result of the General Fund required reductions made over the past two years, coupled with the receipt of federal and state funds to address disasters, this proposed budget maintains existing programs and staff while making additional investments to support Public Safety. After three declared emergencies in Clackamas County over 11 months, it is clear more resources are needed for public safety and disaster management. Specifically, the Sheriff's Office budget has been increased by \$825,000 for body camera purchases, Courthouse security, and materials and services increases. The Disaster Management department budget has been increased by \$1.5 million for an additional 4.5 full-time employees and related materials and service expenses. These investments in the Sheriff's Office and the Disaster Management department will ensure the County is well-prepared for the next disaster.

In addition, significant time and resources have been invested in updating/changing the County's accounting and budgeting systems over the past 12 months:

- **New Chart of Accounts (COA).** Eight (8) separate Charts of Accounts were consolidated into a single COA. This countywide chart of account implementation means funds, departments, programs, and account codes have changed in the FY21-22 documentation. In some program budgets, these changes may cause large variances to amounts and/or percentages from FY20-21 Amended Budget to the FY21-22 Proposed Budget. In most cases, these changes are within a normal range when viewed at the department and/or fund level.
- **OpenGov:** The County invested in a modern software system that leverages technology to support government budgeting needs. Key benefits of the new system include self-supporting and easy to use reporting and the ability to enable external reporting for improved transparency. It also is the repository of Performance Clackamas metrics to better align strategic results with resources.

System implementation is occurring in phases. FY21-22 involves the new chart of account implementation and transition to OpenGov budgeting. FY21-22 will introduce OpenGov stories for public transparency of the County's budget and performance dashboards (i.e. Managing for Results – MFR) to better align strategic results with available resources. FY22-23 will introduce capital budgeting.

- Consistent with the values of accountability and transparency, funds associated with countywide expenses have been moved from the Non-Departmental fund into County Administration to provide the Board and the public with greater visibility into how countywide initiatives are funded. This amounts to a transfer of approximately \$1.6 million. A second phase of shifting countywide costs from the Non-Departmental fund will continue in FY21-22. These costs include internal service allocations to increase the transparency of use of undesignated County General Fund dollars.

Overarching Issues/Changes

Impact of Natural Disasters

Clackamas County had the distinction of being the only county in Oregon – other than Marion - to experience three disasters this last year. When the COVID-19 pandemic began, with just over a day's notice, employees quickly relocated their office to their homes to continue services and provide outreach to those in need. The Emergency Operations Center was staffed by employees from almost every county department and worked in tandem with the Sheriff's Office and other public safety agencies to ensure residents were safe.

The County received \$17.2 million from the federal CARES Act, distributed as a reimbursement from the State of Oregon, compared to the more than \$100 million each directly received by Washington and Multnomah Counties and the City of Portland. This difference is based on population, with 500,000 residents as the delineator. Clackamas's population is approximately 430,000 resulting in ineligibility for the direct allocation of the larger amount of funds.

In early 2021, Congress authorized relief funding from the American Rescue Plan Act (ARPA) directly to local governments. Clackamas is projected to receive \$81 million in total. Half of these funds (~\$40 million) are anticipated to be received prior to July 1, 2021 and, at this point in time, the County has included \$30 million in this proposed budget. On May 10, 2021, the federal guidance on the use of the America Rescue Planning funds was released.

COVID-19

The coronavirus pandemic continues to cause significant shifts in the way the County operates to meet the needs of residents and stakeholders. While the dedicated staff has adapted and continued to serve the public in resourceful ways, the County's funding and expenditure outlook has changed due to the COVID-19 impacts. Below are a few examples:

- Budget instructions for FY21-22 asked departments to keep materials and service budgets flat; meaning departments would need to manage with less.
- Departments in the recreational and development sectors project reduced revenue due to limited or restricted activities, resulting in less funding for maintenance and capital outlay.

To respond to the uncertainty of revenues, staff and the Board of County Commissioners continue to pursue several avenues to secure additional funding. These include COVID-related reimbursements from the Federal Emergency Management Agency (FEMA), applying for numerous grants such as additional Community Development Block grants, Emergency Shelter grants, and other Coronavirus supplemental funding sources.

September Wildfires

The September Wildfires added to the financial stress of the County for response and recovery. The State received a Federal Declaration for the Wildfires, which provided at least 75% reimbursement for damage due to the Wildfires. However, the most costly item, debris removal, is being covered 100% between FEMA and the State of Oregon. This is an estimated \$4 million dollars that Clackamas County does not have to pay. Labor dollars for the Wildfire response at \$1.7 million will be supported by FEMA at 75% for all eligible. There are continued recovery efforts that have costs unknown still at this time related to the September Wildfires.

Winter Ice Storm

The Winter Ice Storm continues to impact County operations and budget. At this time, the response to the Winter Ice Storm for staff, debris removal on county property and roadways, street sweeping, roadside guardrails, etc. is reaching the \$3 million. There is damage that is still being assessed to the roads due to heavy logging after the Winter Ice Storm that could be in the millions. In May 2021, the County received a Federal Declaration from FEMA for the Winter Ice Storm, which will result in reimbursement of a large amount of the cleanup costs.

Key Revenues

Countywide, tax revenue is expected to increase by 2.8% or \$4.3 million. Delinquencies will not be fully known until this fall when tax collections begin and the financial consequences caused by the breadth and duration of the pandemic are more fully understood.

Expenditures

Personnel Services: Total County personnel services are increasing by 5.6% or \$17.8 million, composed of an increase for COLA of 1.8%, longevity wages, medical, and dental. The PERS rate remains flat as this is the second year of biennial rates. However, PERS contribution rates range from 21.26% to 26.81% of payroll depending on employee hire date and classification. An additional factor to personnel cost increases is the County-wide workforce wage study. This study is to comply with the Equal Pay Act and brings positions to a comparable marketplace compensation pay rate.

Materials & Services: Expenses for proposed FY21-22 decreased by 4.9% or \$11.2 million, driven primarily by the completion of CARES projects that were budgeted in FY20-21. What is included for FY21-22 is continued effort in planning and design of the new county courthouse in professional services for \$5.2 million; 50% of these costs will be reimbursed by the state.

Materials & Services - Allocated costs: FY21-22 allocated costs continue to be frozen for the third year in a row and decreased slightly by 0.7% or \$218,000. This is due to a true-up in the Technology Services Department for staffing and project-related expense assessed to other departments.

Capital Outlay: Capital outlay reductions of 1.1% or \$700K are reflected in the proposed budget. The Department of Transportation and Development is constructing a new Transportation Maintenance Facility off Abernathy Road. The costs were budgeted in FY20-21, however due to delays the project is shifted to FY21-22 for completion. The same dollars are shown in both budget years, approximately \$20 million.

Contingency

Board policy requires Contingency to be budgeted at a minimum of 5% of General Fund expenditures. For FY21-22, General Fund Contingency is budgeted at \$19.1 million which includes 5% of the operating budget (personnel, materials and services, capital outlay, and transfers totaling \$370,711,837), plus the estimated costs for implementation of Equal Pay Act increases.

Reserves

Reserves for Future Expenditures are budgeted, per Board policy, at 10-15% of unrestricted General Fund revenue which is \$144.2 million (property taxes and state shared revenue). In FY21-22 Reserves are budgeted at \$21.6 million, which is 15% of the unrestricted revenue, and meets the Board policy.

Cost Allocation

The County complies with the federal Office of Management & Budget guidelines and regulations to cover most internal service (administrative) costs. This allows County departments to recover indirect administrative costs, or overhead, related to federal grant projects.

Self-Insurance and Benefits Administration

Clackamas County is self-insured for employee health benefits. In the event the County ends its self-insurance plan and has to pay out claims, State statute requires that a reserve be maintained. Additionally there is a claims margin in the event that claims exceed predicted rates. For FY21-22 the Benefits Administration Fee charged to departments is flat. The model considers cost increases and decreases as needed.

County Staffing Comparison

Budget Year	FY18-19 Actual	FY19-20 Actual	FY20-21 Estimated	FY21-22 Proposed
FTE	2,171	2,207	2,272	2,290

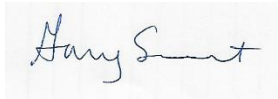
Closing Remarks

A year to remember, a year to build upon...

The resiliency of our employees and County residents has never been tested like it was this past year. Services continued, safe practices were maintained and new ways of doing business emerged. We continued to build partnerships in order to best serve the public.

This year's budget development was unique as financial systems were updated and new systems implemented in the midst of three declared emergencies. Thank you to all elected officials and employees involved in this important transition resulting in increased accountability and transparency. Special recognition goes to Elizabeth Comfort, Finance Director, Sandra Montoya, Budget Manager and the entire budget team for their dedication and hard work. Finally, thank you to the Budget Committee for their commitment to reviewing and improving the budget process and product.

Sincerely,

A handwritten signature in blue ink that reads "Gary Schmidt". The signature is written in a cursive style with a large "G" and "S".

Gary Schmidt
County Administrator

In 1993, the Board of County Commissioners adopted a resolution encompassing the following budget policies governing Clackamas County operations. Minor updates were incorporated by the Commissioners in 2004. These policies were formulated by the County Administrator and his staff and forwarded to the Board for their approval.

Statement of Philosophy

The budget is an annual financial and operational plan. It is a clear statement of County priorities as established by the Board of County Commissioners. Any alteration of the approved plan requires prior approval of the BCC. The County will adopt a balanced budget for each fund meaning that budgeted expenditures plus contingencies and reserves, if required, will be met by an equal amount of budgeted resources. The annual budget process shall address County priorities and packages of options and recommendations for BCC decisions. The budget is a measure of the performance of departments. Department heads will be held accountable for performance within the context of their budget.

Fees and Charges

It shall be the policy of the County to establish fees that are in compliance with state statutes and County ordinances. When fees are established, the fee will be set to recover total cost associated with the service provided. A level of charges below total cost may be approved by the Board of County Commissioners, if considered in the best interest of Clackamas County. Each department will recommend to the County Administrator a list of existing services and/or materials that are available to the public through Clackamas County government which the department head believes worthy of a service fee or charge. The County Administrator/Budget Officer, in cooperation with the department, will determine concurrence or modifications to the list. Upon concurrence, the department will prepare the revenue projections and appropriate documents with the submission of the annual budget.

Implementation: User fees are reviewed each year and updated as required by ordinance and approved by the County Commissioners.

Note: This policy is currently being reviewed.

Capital Improvement Plan

Clackamas County will prepare a prioritized five-year Capital Improvement Plan addressing large-scale investments in facilities, equipment and transportation. The Capital Improvement Plan will provide estimates of costs, identify sources of funding and financing alternatives and describe sites of construction projects and any other significant additional project characteristics. Capital improvements identified in the plan will have a minimum estimated cost of \$50,000. The plan will be updated annually and all changes will be reviewed for approval by the Board of County Commissioners.

Implementation: The Board of County Commissioners approves both a five-year and a twenty-year Capital Improvement Plan. Copies of these documents are available upon request.

Capital Outlay Expenditures

Capital outlay budgets will include all anticipated expenditures for individual items with a cost greater than \$5,000 and a useful life expectation of one year or more. Purchases below the thresholds are budgeted in the Materials and Services category. Only capital projects and acquisitions conforming to this policy will be undertaken by the County. Each year's budget for capital expenditures will be in conformance with the Capital Improvement Plan and in compliance with requirements of Bills and Laws of the Oregon Revised Statutes.

Implementation: All budgets are prepared using the threshold stated above for Capital Outlay requests. Each Capital Outlay request must be accompanied by detailed justification in the materials submitted to the Budget office.

Budget Amendments

Clackamas County departments shall plan annual budgets for each fiscal year which accurately reflect the service priorities and needs of the citizens as directed by the Board of County Commissioners. When revenues are not received as planned, the corresponding expenditures shall not be made. It is the responsibility of the department head/elected official to ensure that the necessary reduction in expenditures occurs. When new sources of grant revenue become available, departments shall request a budget change, but must spend the additional revenues only for the programs or activities specified in the grant.

Changes among line items within a major category are generally within the discretion of the department head, with review by the Budget Officer, provided such changes do not affect service priorities. However, transfers between major categories are discouraged and require approval of the Board of County Commissioners prior to expenditure of funds, consistent with ORS 294.463.

Implementation: All budget requests include goals and objectives designed to reflect service priorities as a basis for approval of requested funding. After adoption, budgets are monitored throughout the fiscal year and adjusted as necessary as outlined above.

Inflation Guidelines

In preparing budgets for each fiscal year, Clackamas County departments will use estimates of inflation factors to calculate increases in operational costs. The Budget office will generate the recommended inflation guidelines for BCC consideration. Recommended guidelines will be derived from quantifiable information available from economic research sources.

The BCC-approved inflation guidelines are to be published in the budget preparation manual. This policy applies to all departments contained within the Clackamas County annual budget.

Implementation: The policy is under review as the availability of guideline indicators does not coincide with the timelines necessary to complete the budget process.

Revenue Policy

Clackamas County's policy is to maintain to the greatest extent possible a diversified base of revenue sources, limiting reliance on any single source.

The County will aggressively pursue collection of delinquent accounts through its Finance and Counsel offices.

Internal Service Funds and Enterprise Funds will establish charges fully supporting total direct and indirect costs of providing services.

Applications for new grant sources will conform to grants policy, and require BCC approval prior to making application.

When revenue estimates change, affecting service priorities, departments will amend their budgets to reflect changed expectations.

Implementation: A process to track delinquent Local Improvement District assessments more closely has been undertaken in the Finance office. The Cost Allocation Plan implemented in fiscal 1991 was established in part to eliminate General Fund subsidy of Internal Service operations and continues currently to identify true cost of doing business in all County departments. All departments are required to submit grant proposals to the Board of Commissioners prior to application to granting agencies.

Budgeting Fund Balance

Fund Balance consists of the cumulative excess of revenues over expenditures since the beginning of a fund. The best possible estimates of available Fund Balances will be used when proposing and adopting annual budgets, allowing the most realistic estimate of resources to be used when establishing service priorities for the ensuing fiscal year.

Budgeting Contingency Amounts

In any year, circumstances may arise which could not have been reasonably anticipated and which may require a change in the annually adopted plan. Each fund may differ both in need for and ability to budget for a Contingency account. Therefore,

1. there will be one Contingency account established in each fund, and

2. the amount of the Contingency account will be a predetermined amount or percentage of the total resources budgeted in the fund. The amount or percentage to be used in each fund will be set by the Budget Officer to assist in preparing requested budgets, and will be based on the following criteria:
 - a. the total resources typically available to the fund compared to the resources needed to fund annual service priorities,
 - b. expenditure history in the fund, and
 - c. circumstances outside the control of the County.

Use of Contingency

No expenditures may be made from Contingency accounts. A transfer to an expenditure account must first be approved by the Board of County Commissioners. Requests for transfers must address the following:

1. the need for expenditures additional to the service plan and priorities adopted in the original budget,
2. conditions that could not have been anticipated prior to the adoption of the budget, and
3. alternatives considered to the use of Contingency accounts.

Managers will manage funds with the objective of the ending Fund Balance exceeding the original Contingency appropriation for the fiscal year.

Implementation: Departments are now required to provide additional justification of Contingency transfer requests as outlined above.

Policy on Reserves for Future Expenditures and Contingency

I. Budgeted Reserves as defined in this policy will be the sum of two types of budgeted accounts:

1. **Contingency** – a non-spendable account which under Local Budget Law may be accessed during the fiscal year to transfer appropriations to a spendable category account, when the need for such appropriations is approved by the Board of County Commissioners;
2. **Reserve for Future Expenditure** – an un-appropriated non-spendable account from which under Oregon Local Budget Law no appropriation can be transferred. The amount budgeted at adoption of the annual budget will be maintained for the fiscal year period.

Reserve for Future Expenditure exist for a twelve month fiscal year period and then are subject to re-consideration during the annual budget process by the Budget Committee and Board of Commissioners. If sufficient resources exist for funding the reserve in the succeeding fiscal year, amounts may be re-allocated through the budget process to a spendable category account in whole or in part.

Budgeted Reserves in a fund may include amounts for Contingency, Reserve for Future Expenditure, or both.

II. Budgeted Reserves Policy for the County General Fund:

Clackamas County will maintain adequate budgeted reserves in the General Fund in order to

- provide for future resource needs,
- protect program budgets from periodic transient resource level variations, and
- maintain cash flow levels in amounts sufficient to bridge months in each year during which inflows of revenues are slower.

The amount to be budgeted in the account titled “**Contingency**” should be targeted each year to measure 5% of the overall County General Fund budget.

The amount to be identified in an account titled “**Reserve for Future Expenditure**” in the General Fund should be targeted each year to measure 10% of the overall County General Fund budget, less resources in the General Fund that are dedicated to particular identified uses by law or source. *[example: Secure Rural Schools and Community Self-Determination Act dollars dedicated to specific purposes]*

In no year will the General Fund **Budgeted Reserves** exceed 15% of the total General Fund budget.

III. Other Funds Budgeted Reserves Policy:

Funds other than the General Fund may budget **Reserve for Future Expenditure** accounts when the reserves are composed of dollars dedicated to particular identified uses, either

- by law,
- by source, or
- by commitment of the Board of County Commissioners.

These other funds may also budget **Contingency** accounts, composed of amounts which may be re-appropriated to other spendable accounts during the budget year by approval of the Board of County Commissioners. Per Local Budget Law, Contingency and Reserve accounts should not be budgeted in Debt Service Funds.

Debt Issuance and Management Policy

On November 7, 1996, the Board of County Commissioners adopted a resolution implementing the following debt issuance and management policies for Clackamas County. These policies were written by the County Finance Director, County Counsel and County Treasurer and established roles for each of these officials in the process of issuing debt and in its subsequent repayment, management and reporting.

This policy guides the County in decisions regarding when to issue debt financing, the structure, size and type of debt issues, and the responsibilities of various parties.

Reason for Issuing Debt

The County will issue debt to finance capital construction, capital acquisitions or cash flow as recommended by the Finance Director and authorized by the Board of County Commissioners.

Types and Amounts of County Indebtedness

Clackamas County will issue debt as needed and authorized by the Board of Commissioners in a form related to the type of improvement to be financed.

1. General Obligation Bonds will be issued to finance improvements that benefit the community as a whole. In accordance with Oregon State Law, permission to issue general obligation debt must be authorized by the electorate of the County. In accordance with ORS 287A.100, total general obligation indebtedness will not exceed 2 percent of the real market value of all taxable property in the County. General Obligation debt will not be issued for enterprise activity.
2. Limited Tax General Obligation Bonds will be issued to finance Local Improvement District projects, in accordance with the Clackamas County Local Improvement District Ordinance.
3. Revenue Bonds may be issued to finance facilities which will benefit a specifically identifiable user base. These facilities are anticipated to provide a stream of revenue to assist in the service of the debt undertaken to finance their construction. Other specific revenues will be pledged to debt service as required.
4. The County will undertake to issue Certificates of Participation, Limited Tax Revenue Bonds, or utilize Capital Leases where appropriate and approved by the Board of Commissioners.
5. Clackamas County will issue short term notes (BANs, TANs, bank lines of credit) when necessary and approved by the Board of Commissioners. TAN's will be retired within twelve months of issue.

The instruments chosen for financing will match the types and useful lives of the assets to be acquired. Financing methods chosen will be issued in compliance with all state, federal and local laws and regulations.

The County will issue debt in amounts authorized by law, sufficient to provide financing for the project or projects, as well as any required reserves and the costs of issuance. Decisions as to whether to capitalize interest will be made on a case by case basis by the Board of Commissioners, based upon the recommendations of the County Treasurer and the Finance Director. Decisions regarding the structure of the issue as to maturities, debt service and redemption provisions will be delegated to the Finance Director by the Board of County Commissioners.

Selection of Professional Assistance for Debt Issuance

The Board of County Commissioners will approve the selection of professional assistance in the issuance of County debt. Compensation to all professional advisors will be negotiated by the County's representatives. Each County official named below will make his/her recommendations to the Board of Commissioners after seeking input from the other officials participating in the debt issuance and management process. Each County official named below will have the opportunity to participate in meetings and review.

1. The Finance Director, County Counsel and County Treasurer will recommend the selection of bond counsel, based on the type of debt to be issued, and the firm's expertise in that type of financing instrument. Recommendation will

be made from a current list of all competent professional legal firms offering bond counsel services in the area, updated yearly.

2. The Finance Director will recommend the selection of a Financial Advisor, based on the type of debt to be issued, and the firm's expertise in that type of financing instrument. Recommendation will be made from a current list of all competent professional firms offering financial advisory services in the area, updated yearly.
3. The Finance Director will recommend the selection of the professional independent advisor in the event that the issue is offered on a negotiated sale basis. Recommendation will be made from a current list of all competent professional firms offering financial advisory services in the area, updated yearly.
4. The Finance Director will recommend the selection of the Underwriter in the event that the issue is offered on a negotiated sale basis. Recommendation will be made from a current list of all competent professional firms offering underwriting services in the area, updated yearly.
5. The County Treasurer will recommend the use and selection of a Paying Agent/Registrar if deemed necessary. Recommendation will be made from a current list of all competent professional firms offering such services in the area, updated yearly.
6. The County Treasurer will recommend the selection of a Trustee, when necessary, to be selected from a list of firms offering such services in the area, updated yearly.
7. The County Treasurer will recommend the selection of a Securities Depository for the debt issued.

Method of Sale

Clackamas County will offer the debt to be issued on terms consistent with market conditions, the project being financed, current County debt rating, issue size and complexity, and any other relevant considerations. The Board of County Commissioners will approve the method of sale based on the consensus recommendation of the Financial Advisor, the Finance Director and the County Treasurer. The debt issue may either be offered as a competitive sale or as a negotiated sale. The County will not offer private placement debt issues, except with commercial banks or similar institutions.

Bond Rating and Interest Costs

The County will maintain a bond rating for its general obligation bonds of A or higher with one of the recognized rating agencies, and will request a rating in advance of any general obligation issue over three million dollars (\$3,000,000) when such action will enhance the salability and lower the interest costs of that debt issue.

Credit enhancements such as bond insurance, reserves for debt service, coverage tests and limitations on additional debt will be considered, and recommendation made by the Finance Director for each issue.

The County will maintain its creditworthiness through sound financial, management, and accounting practices. Additionally, as evidence of these practices, the County will each year strive to maintain its GFOA certification of award for Excellence in Financial Reporting and Excellence in Budgeting.

Refunding and Call Provisions

The County will consider refunding bonds when it is possible to reduce interest costs significantly, when it is desirable to restructure the debt service schedule, or to eliminate unnecessary or excessively restrictive covenants on existing debt. Recommendation to refund bonds will be made by the Finance Director in consultation with the County Treasurer only when a) the present value of interest savings exceeds the present value of the costs to refund the issue, and b) the minimum present value of the savings equals or exceeds 3% of the outstanding balance of the debt considered for refunding, or as allowed by state regulation.

Arbitrage Compliance

The County will comply with any and all federal and state laws and regulations regarding arbitrage earnings and the reporting of arbitrage earnings. The County Treasurer will make all necessary reports to the federal government. The County Treasurer will make a selection recommendation to the Board of Commissioners regarding any professional advisory services required for arbitrage calculation and reporting. The County Treasurer will make reports annually to the Board of Commissioners regarding the County's arbitrage position.

Other Reporting and Disclosures

The County will comply with all disclosure requirements for its debt issues (e.g. Securities and Exchange Commission Rule 15(c) 2-12, and any other disclosure requirements). The County Treasurer, Finance Director and County Counsel will cooperate to assure that the format and schedule of disclosures and reporting are met as specified by the regulatory body requiring disclosure.

Note: This policy is currently being reviewed.

Performance Clackamas

Clackamas County Strategic Plan

January 2020 Update

Commissioner
Sonya Fischer

Commissioner
Ken Humberston

Chair
Jim Bernard

Commissioner
Paul Savas

Commissioner
Martha Schrader

Strategic Priority: Build Public Trust through Good Government

Public trust is the currency of good government. Clackamas County will design and deliver services that make a difference and measure our effectiveness in terms of results for our customers. We will listen, be accountable and deliver what we promise. When we allocate resources, they will be tied to results that matter. Updating the County Courthouse will ensure that key public safety services are safe and accessible to all residents.

Results

- By 2023, build a new County Courthouse
- By 2021, the county's budget will be 100% tied to results with transparency to the public.



Strategic Priority:

Grow a Vibrant Economy

The future prosperity of County residents will be built on good paying jobs that support families, housing affordability, a growing diverse qualified workforce, capital investments that grow current businesses, and on the availability of lands where new businesses can easily locate and expand within the County.



Results

- By 2024, 80% of employers within targeted clusters surveyed will report that an adequately trained workforce is available to fill their family wage jobs.
- By 2024, 80% of businesses that pay family wage jobs seeking to locate or expand in Clackamas County will find serviceable commercial or industrial properties which meet their particular business needs.
- By 2024, 75% of participants in the Community Prosperity pilots have experienced improvement in financial stability and access to affordable, healthy foods.

Strategic Priority:

Build a Strong Infrastructure

Ensure long-term investments in infrastructure that will support the diverse needs of Clackamas County residents, including: a thriving economy, living wage jobs, housing and transportation alternatives, and a healthy environment.

Results

- By 2024, funding for the next Phase (from 122nd-172nd) of the Sunrise Gateway multimodal corridor improvements will be committed from federal, state, and/or regional funding sources.
- By 2024, funding for the Interstate 205 (I-205) Widening and Seismic Improvements Project, including the Abernethy Bridge, will be committed from federal, state, and/or regional funding sources.



Strategic Priority:

Ensure Safe, Healthy and Secure Communities

A focus on the well-being of all our families and communities reflects the best of our character. Investments in providing services to those needing care, addressing hunger, homelessness, addictions, behavioral health needs, and reducing crime, are key to making our communities safe. These efforts, combined with success in creating jobs and addressing homelessness, will give definition to the County's efforts to alleviate poverty and will help ensure the safety, health, and security of our residents.

Results

- By 2024, 80% of victims of domestic violence will not experience further abuse following their initial report.

- By 2025, 1,500 affordable housing units will be developed*. Those units will be stratified across Area Median Income (AMI) ranges as shown above.

Lead responsibility	Units	AMI
All County	700	61-110%
Mostly H3S	800	0-60%
* Included in the overall count are rehabbed units, and units at various construction phases (Viable, Committed, In Development, and Completed).		

Reduce chronic homelessness as evidenced:

- By 2023, 30% reduction of chronically homeless people on the Coordinated Housing Access waitlist.
- By 2023, 30% reduction in homeless children and youth (24 and under) on the Coordinated Housing Access waitlist.



Strategic Priority:

Honor, Utilize, Promote and Invest in our Natural Resources

The abundant natural resources in both urban and rural areas of Clackamas County provide extraordinary economic and recreational opportunities. A balanced sustainable approach to our natural resources will generate prosperity and help secure and conserve those resources for future generations.

Result

- By January 2022, a Climate Action plan is adopted for our community with specific recommendations to reach the goal of being carbon neutral by 2050.



Policy Perspectives

Moving forward, four important lenses will be applied to decisions the County makes regarding policy, operations, budget and purchases. Applying these lenses will enhance the strategic results:

- Equity, Diversity, and Inclusion
- Carbon Neutrality, including developing and implementing a Climate Action Plan
- Healthy and Active Lifestyle, guiding housing, transportation, and land use policies and decisions
- Family Stability, including an emphasis on issues of domestic violence, homelessness and workforce development



Key Initiatives

In addition to the Priorities and Results in the Strategic Plan, the County will provide leadership to develop policies and partnerships for Key Initiatives as follows:

- Being a catalyst and a convener to stimulate the development of Workforce Housing for those with 60% or less of the Area Median Income.
- Growing the Mass Timber industry in Clackamas County, which creates family wage jobs.
- Making high speed internet available throughout the County.
- Pollination Policy Initiative, including a hub to share information to government and private landowners.

Board decisions will be informed by managing for results performance information for ongoing operations.

Visit <http://clackamas.clearpointstrategy.com/> to view *Results Dashboard*

Performance Clackamas Results Dashboard

This page provides links to the most important part of Performance Clackamas – our results. You can click on any of the areas of focus below and see how we are doing in delivering what we say we will.

Areas of Strategic Focus

Performance period: 2018



Build Public Trust Through Good Government

Clackamas County will design and deliver services that make a difference.



Grow a Vibrant Economy

Clackamas County promotes the future prosperity of county residents.



Build a Strong Infrastructure

Clackamas County ensures long-term investments in infrastructure that support the community.



Ensure Safe, Healthy, and Secure Communities

Clackamas County focuses on the well-being of all our families and communities.



Honor, Utilize, Promote, and Invest in our Natural Resources

Clackamas County cares about the abundant resources in both urban and rural areas.



Customer Service Satisfaction

Clackamas County encourages citizens and businesses to provide valuable feedback.

Department Strategic Plans

As county departments complete the Performance Clackamas strategic planning process, we will make each plan available for review. When the process is complete, the public will have access to real-time reports that show the progress made toward county and department goals.

- Business & Community Services
- County Administration
- County Counsel
- Community Corrections
- Disaster Management
- Finance
- Health, Housing & Human Services
- Human Resources
- Juvenile
- Public & Government Affairs
- Resolution Services
- Technology Services
- Transportation & Development
- Water Environment Services

Visit <https://www.clackamas.us/performance/plans.html> to view department plans in further detail.